

# STATE OF INDIANA



INDIANA UTILITY REGULATORY COMMISSION  
302 W. WASHINGTON STREET, SUITE E-306  
INDIANAPOLIS, INDIANA 46204-2764

<http://www.state.in.us/iurc/>  
Office: (317) 232-2701  
Facsimile: (317) 232-6758

APPLICATION OF PSI ENERGY, INC. FOR )  
APPROVAL OF A CHANGE IN ITS FUEL )  
COST ADJUSTMENT FOR ELECTRIC )  
SERVICE, FOR APPROVAL OF A CHANGE )  
IN ITS FUEL COST ADJUSTMENT FOR )  
HIGH PRESSURE STEAM SERVICE, AND )  
TO UPDATE MONTHLY BENCHMARKS )  
FOR CALCULATION OF PURCHASED )  
POWER COSTS IN ACCORDANCE WITH )  
INDIANA CODE 8-1-2-42.3 AND VARIOUS )  
ORDERS OF THE INDIANA UTILITY )  
REGULATORY COMMISSION )

IN THE MATTER OF THE COMMISSION'S )  
INVESTIGATION, UNDER IC 8-1-2-58 AND )  
59, INTO THE PROPOSED TERMINATION )  
OF THE OPERATING AGREEMENT )  
BETWEEN PSI ENERGY, INC. AND )  
CINCINNATI GAS & ELECTRIC COMPANY )  
APPROVED BY THE COMMISSION )  
MARCH 29, 1994 )

RESPONDENT: PSI ENERGY, INC. )

PETITION OF PSI ENERGY, INC. FOR )  
AUTHORITY TO INCREASE ITS RATES AND )  
CHARGES FOR ELECTRIC SERVICE; FOR )  
APPROVAL OF NEW SCHEDULES OF RATES )  
AND CHARGES AND OF RULES AND )  
REGULATIONS APPLICABLE TO SUCH )  
RATES AND CHARGES; FOR THE )  
AUTHORITY TO REFLECT ITS QUALIFIED )  
POLLUTION CONTROL PROPERTY AND )  
OTHER NEW PLANT AND EQUIPMENT IN )  
ITS RATES AND CHARGES; FOR APPROVAL )  
OF ITS IMPLEMENTATION OF THE )

**FILED**

**OCT 03 2005**

**INDIANA UTILITY  
REGULATORY COMMISSION**

**CAUSE NO. 38707-FAC61S1**

**CAUSE NO. 41954**

**CAUSE NO. 42359-S1**


FEDERAL ENERGY REGULATORY )  
COMMISSION'S SEVEN-FACTOR TEST; FOR)  
APPROVAL OF VARIOUS RATE TRACKING )  
MECHANISMS, INCLUDING A PROPOSED )  
MIDWEST INDEPENDENT TRANSMISSION )  
SYSTEM OPERATOR MANAGEMENT COST )  
ADJUSTMENT RIDER AND CONTINUED USE)  
OF A PURCHASED POWER TRACKING )  
MECHANISM; AND FOR APPROVAL OF )  
RELATED ACCOUNTING TREATMENT AND)  
DEPRECIATION RATES AND OTHER )  
ACCOUNTING RELIEF RELATIVE TO ITS )  
BUSINESS )

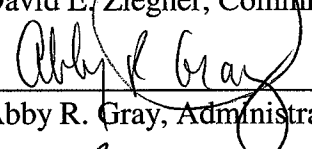
You are hereby notified that on this date the Indiana Utility Regulatory Commission ("Commission") has caused the following entry to be made:

The Presiding Officers now find that PSI should either bring written answers or be prepared to orally answer the following questions at the hearing on Tuesday, October 4, 2005:

1. If PSI is taking the position that this is not "fuel costs", what support is PSI relying on for that opinion?
2. Is PSI aware of any FERC or state commission determination as to whether this is fuel costs, either negative or positive?
3. Since PSI has undertaken this process that exposes the plant to unknown risks and no formal analysis was done, what process was utilized in determining whether this process should be undertaken?

**IT IS SO ORDERED.**

  
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David E. Ziegner, Commissioner

  
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Abby R. Gray, Administrative Law Judge

Date: October 3, 2005